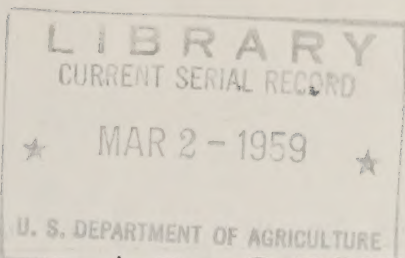


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# the AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U. S. D. A.

WASHINGTON, D.C.



AOD-36 DECEMBER 1957

Reductions in stocks and production have cut the cotton supply for 1957-58 to the lowest level since 1953.

This year's crop is estimated at 10.9 million running bales, 2.3 million less than in 1956 and the least since 1950. Growers harvested over 2 million acres less than in 1956, mainly because of the Soil Bank. Yields were reduced by bad weather this fall.

The marketing year began with 11.2 million bales of old cotton at hand, 3.3 million less than the record stocks of a year earlier. Heavy exports in 1956-57...largest since 1932-33 were responsible for the reduction in carryover, the first since 1951.

Total supply of cotton--production, stocks and imports--for 1957-58 is 22.2 million bales, down 5.4 million from 1956-57.

Further cut in stocks is likely during the current marketing year. Exports are expected to total around  $5\frac{1}{2}$  million bales...use in this country about 8.6 million. To supply this amount of cotton, carryover stocks would have to be reduced another 3 million bales by August 1, 1958.

FEED. Big and growing feed supply has pushed prices down. This fall, prices to farmers for feed grains averaged the lowest since 1943...hay was at a postwar low... high protein prices close to the postwar low of 1956.

Feed grain prices are likely to continue below a year earlier, through the spring at least. Larger than usual proportion of the corn and sorghum grain crops have too much moisture for safe storage.

Low feed prices are generally favorable to production of livestock products. At mid-November prices, 100 pounds of live hog was equal in value to  $16\frac{1}{2}$  bushels of corn, a dozen eggs to 13.6 pounds of poultry feed, a pound of milk to 1.6 pounds of concentrate rations, a pound of butterfat in cream to 24.6 pounds of concentrate rations. Compared with 1946-55 averages for the month, the November hog-corn ratio was up 20 percent, egg-feed 5 percent, milk-feed 14 percent and butterfat-feed 7 percent. Average price of 100 pounds beef cattle was equal in value to 21.7 bushels of no. 3 yellow corn at Chicago, 31 percent above average. Turkey-feed ratio, an exception, was 24 percent below average in mid-November.

High livestock-feed ratios, poor storage quality of much of 1957 crops of sorghum grain and corn, are likely to encourage fairly heavy feeding, especially this winter. Exports also are likely to be heavy. But supply appears large enough to meet these requirements and leave 20 to 25 percent larger stocks at end of marketing year.



LIVESTOCK. Delayed marketings, heavier slaughter weights are occurring for both cattle and hogs. Large amounts of feed grains too wet for safe storage are being fed.

Marketings of fed cattle will increase seasonally and prices decline after early 1958. Price discounts for heavy Choice and Prime cattle are likely if producers continue to feed beyond normal market weights.

Price discounts also are likely for overweight hogs. Because of delay in hog marketings this fall, some further seasonal price declines may occur after January 1...little recovery is likely until after mid-winter.

DAIRY. Purchases of dairy products for price support during the current marketing year which ends March 31, 1958, will be equivalent to about 5 percent of milk production if rate of purchases so far is maintained. The 1956-57 proportion was 4 percent. Consumption of dairy products per person is about the same as last year...milk output is up a little.

EGGS AND POULTRY. Egg production is likely to continue lower than a year earlier and prices higher through first half of 1958. In November output was 6 percent below last year and at mid-month prices averaged 8 cents a dozen higher.

Broiler production is running about a tenth above last year. Prices since October, though fluctuating considerably, have averaged the lowest of 1957.

SOYBEANS. Farmers marketed smaller-than-usual proportion of crop early. Marketings later will be heavier. Prices averaged about at support in November...probably will continue to do so most of the season.

COTTONSEED. Production is down 16 percent from last year...smallest since 1950. But quality is lower than in 1956 and supplies of competing products are large. Prices probably will average near 1956-57 level and above support.

POTATOES. Prices above the low levels of a year ago are likely this winter. January 1 stocks are likely to be smaller and a reduced winter crop is expected.